



PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298

FILED
6-14-16
03:08 PM

June 14, 2016

Agenda ID # 14980
Ratesetting

TO PARTIES OF RECORD IN APPLICATION 10-11-004:

This is the proposed decision of Administrative Law Judge S. Pat Tsen. Until and unless the Commission hears the item and votes to approve it, the proposed decision has no legal effect. This item may be heard, at the earliest, at the Commission's July 14, 2016 Business Meeting. To confirm when the item will be heard, please see the Business Meeting agenda, which is posted on the Commission's website 10 days before each Business Meeting.

Parties of record may file comments on the proposed decision as provided in Rule 14.3 of the Commission's Rules of Practice and Procedure.

/s/ ANNE E. SIMON for
Karen V. Clopton, Chief
Administrative Law Judge

KVC:ge1

Attachment

Decision **PROPOSED DECISION OF ALJ TSEN (Mailed 6/14/2016)****BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA**

Application of STi Prepaid, LLC (U7045C)
and Vivaro Corporation for Authority to
Transfer Control of STi Prepaid, LLC.

Application 10-11-004
(Filed November 3, 2010)

DECISION DENYING APPLICATION**Summary**

STi Prepaid, LLC (STi) and Vivaro Corporation (Vivaro) (STi and Vivaro may be jointly referred to as Applicants) filed an application to transfer control of STi to Vivaro. The Applicants completed the merger without prior authorization from the California Public Utilities Commission (Commission), failed to disclose past and current regulatory actions in their Application, and STi has ceased operations. The Application is denied, and this decision closes the proceeding.

1. Discussion

STi had authority to provide telecommunications services in California through a Certificate of Public Convenience and Necessity (CPCN) issued by the Commission on September 4, 2007.¹

The Applicants filed the instant application on November 3, 2010. On December 1, 2010, the assigned Administrative Law Judge (ALJ) issued a ruling requesting additional information and requiring Applicants to explain their failure to disclose regulatory actions taken against the Applicants. In their

¹ See Decision 07-09-001

response, Applicants admitted that they had completed the merger without Commission approval on October 14, 2010. The Applicants further disclosed that the states of Florida, New Jersey, Texas, Kansas, Nebraska, and New York, as well as the Federal Communications Commission (FCC) have previously or are currently investigating the Applicants, their affiliates, and/or their predecessors in interest based on allegedly deceptive marketing practices or other violations of laws protecting consumers.

On October 28, 2014, the Commission received a letter from a restructuring officer on behalf of STi informing the Commission that the company had filed for bankruptcy on September 5, 2012, and ceased operations as of February 7, 2013. Since the company had ceased to operate, the Communications Division retired STi's license to operate in the state of California.

Since STi is no longer authorized to operate in California, the instant application to transfer is moot and should be denied.

2. Categorization and Need for Hearing

In Resolution ALJ 176-3264 dated November 19, 2010, the Commission preliminarily categorized this application as ratesetting, and preliminarily determined that hearings were not necessary. There is no need to change the preliminary determinations.

3. Comments on Proposed Decision

The proposed decision of ALJ Tsen in this matter was mailed to the parties in accordance with Section 311 of the Public Utilities Code and comments were allowed under Rule 14.3 of the Commission's Rules of Practice and Procedure. Comments were filed by _____ and reply comments were filed by _____ on _____.

4. Assignment of Proceeding

Liane Randolph is the assigned Commissioner and S. Pat Tsen is the assigned Administrative Law Judge in this proceeding.

5. Findings of Fact

1. On November 3, 2010, STi and Vivaro filed an application requesting authority to transfer control of STi to Vivaro.

2. STi was authorized to provide resold interexchange telecommunications service through a Certificate of Public Convenience and Necessity issued by the Commission on September 4, 2007.

3. The Communications Division was notified on October 28, 2014 that STi had ceased operations as of February 7, 2013.

4. The Communications Division retired STi's license to operate in California.

6. Conclusions of Law

1. STi does not have authority to offer telecommunications service in California.

2. The transfer of control application is moot and should be denied with prejudice.

3. The record should be closed.

ORDER

IT IS ORDERED that:

1. Application 10-11-004 is denied with prejudice.

2. Application 10-11-004 is closed.

This order is effective today.

Dated _____, at San Francisco, California.